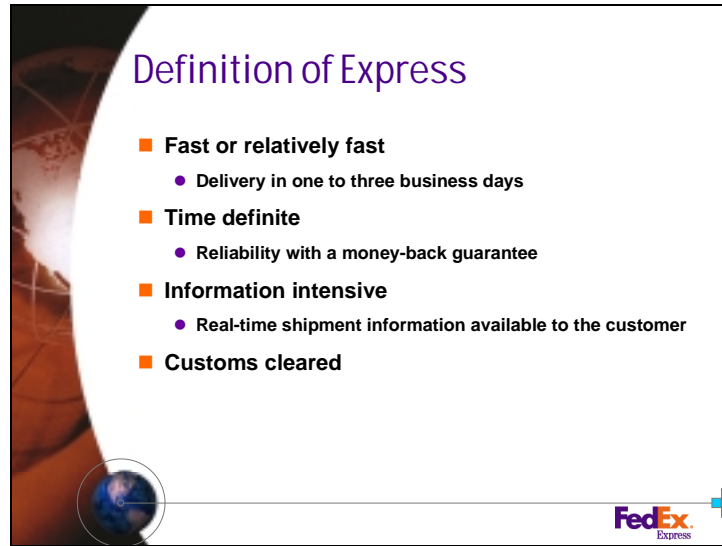


Slide 1





When we entered the market in 1989, the majority of business was traditional airfreight.

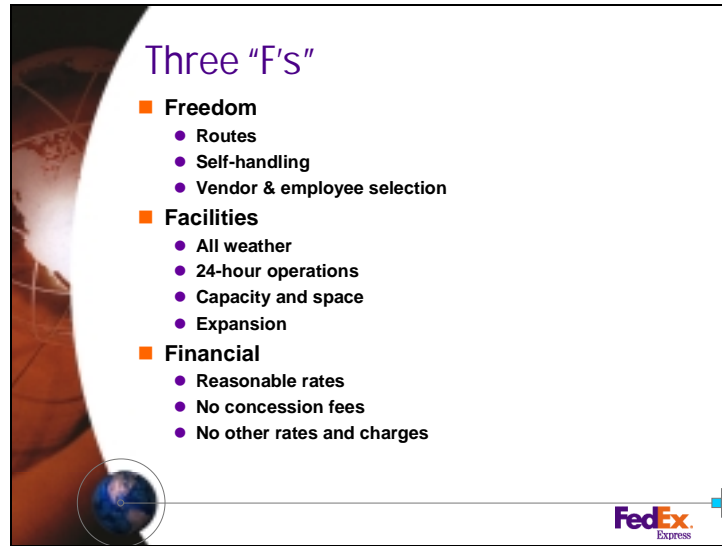
Within seven years, 60 to 70% of our Asian business had adopted the concept of “express” for their shipments.

Let me give you the definition of “express”:

Fast or relatively fast, meaning delivery in one to three business days,
Time definite. For FedEx that means reliability with a money-back guarantee,

Information intensive. A movement that has real-time shipment information available to the customer. , and
Customs cleared.

Prior to FedEx, items requiring “speed” were handled through the use of an “on-board” courier with documents and packages being treated as personal luggage.



The slide features a background image of a globe on the left side. The title 'Three "F's"' is written in purple at the top. Below the title, there are three main categories, each preceded by an orange square bullet point: 'Freedom', 'Facilities', and 'Financial'. Each category has a list of sub-points, each preceded by a purple circle bullet point. The FedEx Express logo is located in the bottom right corner.

Three "F's"

- **Freedom**
 - Routes
 - Self-handling
 - Vendor & employee selection
- **Facilities**
 - All weather
 - 24-hour operations
 - Capacity and space
 - Expansion
- **Financial**
 - Reasonable rates
 - No concession fees
 - No other rates and charges

FedEx Express

Freedom

To fly routes we need to fly

To self-handle

To select vendors

To hire people meeting FedEx's service standards

Facilities

All weather airport

24-hour airport

Apron capacity

Adequate exclusive space

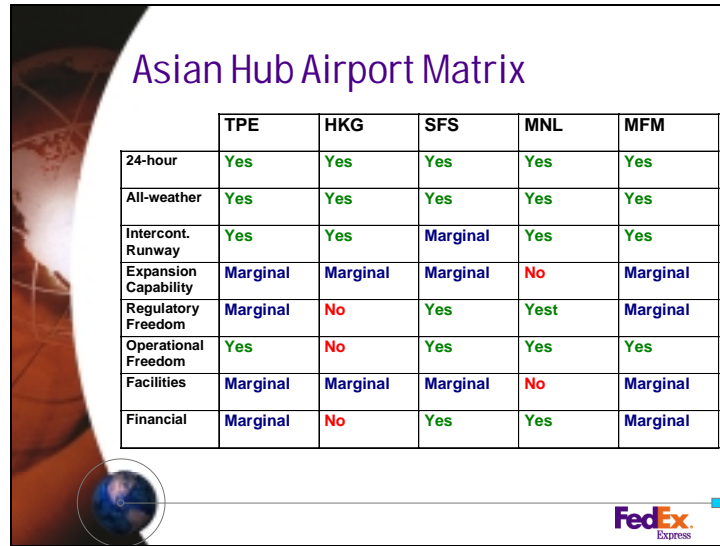
Ability to expand

Financial

Reasonable rates

No concession fees

No other rates and charges



The slide features a title 'Asian Hub Airport Matrix' in purple text. Below the title is a table comparing five airports (TPE, HKG, SFS, MNL, MFM) across eight criteria. The table is set against a background that includes a stylized map of Asia and a FedEx logo in the bottom right corner.

	TPE	HKG	SFS	MNL	MFM
24-hour	Yes	Yes	Yes	Yes	Yes
All-weather	Yes	Yes	Yes	Yes	Yes
Intercont. Runway	Yes	Yes	Marginal	Yes	Yes
Expansion Capability	Marginal	Marginal	Marginal	No	Marginal
Regulatory Freedom	Marginal	No	Yes	Yes	Marginal
Operational Freedom	Yes	No	Yes	Yes	Yes
Facilities	Marginal	Marginal	Marginal	No	Marginal
Financial	Marginal	No	Yes	Yes	Marginal

Drawing a circle in Asia, we identified potential sites that would enable us to best serve our markets and customers.

The circle included Taiwan, Luzon - the northernmost Philippine Island and the South China Coast, which included Hong Kong and Macao.

This chart reflects how each of the locations fared.

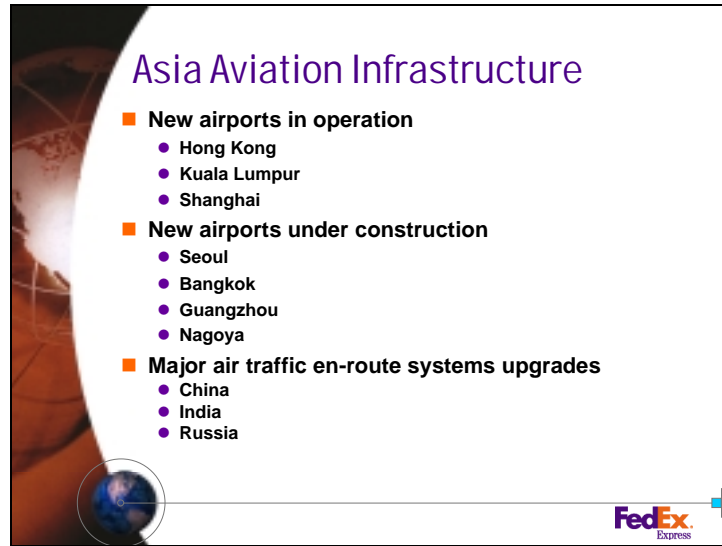
We had been looking at Taipei, and while the physical characteristics were fine, we were not making progress on the regulatory issues such as:

Flight Freedom

Customs Issues

In addition, we were concerned over service to China.

We also looked at several other airports within our circle but regulatory and/or infrastructure issues quickly eliminated them.



Asia is the most active place in the world for the development of aviation infrastructure.

New airports are now operating in:

Hong Kong
Kuala Lumpur
Shanghai

New airports under construction in:

Seoul
Bangkok
Guangzhou
Nagoya

Major upgrades in air traffic en-route systems in:

China
India
Russia

But all of this will be for naught, if people do not have the ability to utilize them.

Slide 6



On-going Emphasis

- Greater freedom to fly
- More rights to self-handle
- Fewer restrictions on operating within countries

FedEx Express

FedEx's goal is the ability to serve our customers anywhere in the world with the most efficient service that technology can allow. Our emphasis, therefore, continues to be for enhanced freedoms

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Greater freedom to fly

More rights to self-handle

Fewer restrictions on operating within countries.

The world is moving at a much faster pace, and our challenge is to help businesses move at the same speed.